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TREASURY DEPARTMENT
FOREIGN ASSETS CONTROL

'02 JUL 22 02:45



July 19, 2001

265-1-28

Chief of Records
ATTN: Request for Comments
Office of Foreign Assets Control
Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, DC 20220

Re: Rules Governing Availability of Information
67 FR 41658 (June 19, 2002)

Dear Madam or Sir:

America's Community Bankers ("ACB") is pleased to comment on the Office of Foreign Assets Control's ("OFAC") proposal to disclose certain information about civil penalties imposed and informal settlements. Specifically, OFAC proposes to make enforcement activities available to the public at least quarterly in order to promote greater public awareness and encourage compliance. Under the proposal, in proceedings against an entity that result in either the imposition of a civil monetary penalty or an informal settlement, OFAC plans to release 1) the name of the entity; 2) the sanctions program; 3) a brief description of the violation or alleged violation; and 4) the amount of the penalty imposed or the amount of the agreed settlement.

ACB supports OFAC's effort to educate financial institutions about OFAC requirements. Community banks play an important role in the prevention of money laundering and terrorist financing, yet many still have compliance questions. Accordingly, highlighting the cost of noncompliance will reinforce the importance of observing OFAC regulations.

While the proposal will promote greater awareness of OFAC enforcement activities, ACB believes that additional OFAC guidance would be instructive. To maximize the enforcement action's educational benefits, OFAC should identify what procedures the institution should have followed to avoid the violation. Second, given the many questions with which financial institutions are struggling, ACB encourages OFAC to publish frequently asked questions and answers. (i.e. Who needs to be checked against the OFAC list? What procedures need to be followed for non-customers? Do loan applicants have to be checked against the OFAC list? What procedures need to be followed when sending a wire transfer to another financial institution?) Posting

¹ ACB represents the nation's community banks of all charter types and sizes. ACB members, whose aggregate assets exceed \$1 trillion, pursue progressive, entrepreneurial and service-oriented strategies in providing financial services to benefit their customers and communities.

applicable law, regulations, and guidance on the OFAC website and devoting additional staff to the compliance hotline are examples of ways to promote awareness and encourage compliance.

Thank you for the opportunity to comment on this important matter. Should you have any questions, please contact the undersigned at 202-857-3121, or via e-mail at cbahin@acbankers.org, or Krista Shonk at 202-857-3187 or via e-mail at kshonk@acbankers.org.

Sincerely,



Charlotte M. Bahin
Director of Regulatory Affairs
Senior Regulatory Counsel